('000'MTs)

Products	Quarters					
	April-June		July-September		Total April-September	
	2004	2005	2004	2005	2004	2005
Urea	4789.3	4750.3	5219	5369.5	10008.3	10119.8
DAP	1276.3	913.5	1344.5	1180.2	2620.8	2093.7
Complexes	1052.1	1335.6	1342.5	1690.9	2394.6	3026.5
Single Super Phosphate (SSP)	492.5	537.9	516.3	567.3	1008.8	1105.2

(c) The lower production of DAP has been compensated by higher imports. About 11.77 LMT of DAP was imported in this period as compared to about 1.84 LMT in the corresponding period of last year.

Price control of essential drugs

315 SHRIMATI SUKHBUNS KAUR : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government in consultation with the major pharmaceutical MNCs, have lately taken any effective steps and evolved a policy to bring down the prices of essential drugs;

(b) if so, the details thereof, indicating the policy so evolved; and

(c) the steps taken in that direction and the outcome thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (c) The present pricing policy of the Government is being implemented by the National Pharmaceutical Pricing Authority (NPPA) under the provisions of the Drugs (Prices Control) Order, 1995 and the guidelines evolved by it from time to time.

Subsequently, a Task Force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life-saving drugs at

reasonable prices. The Task Force has submitted its report to the Government on the 20th September, 2005.

The Government in consultation with various stakeholders is examining the recommendations of the Task Force Based on this a new Pharmaceutical Policy is likely to be announced shortly.

VAT on medicines

316. SHRI TARIQ ANWAR:
SHRI UDAY PRATAP SINGH:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that VAT is also applicable to life-saving medicines;

(b) if so, the details thereof;

(c) whether it is proper to charge VAT on medicines in the country like India where thousands of people die every year without medicines;

(d) whether Government are planning to abolish VAT on life-saving medicines; and

(e) if so, the details thereof and the names of such life saving-drugs?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) and (b) VAT, which has been implemented to replace the State Sales Tax Systems is basically a State subject under Entry 54 of List-ll (State List) of the Constitution of India.

However, an Empowered Committee of State Finance Ministers (EC) was constituted in July, 2000, on the basis of resolution passed in the Conference of the Chief Ministers, to deliberate and decide upon all matters concerning Sales Tax and State VAT, including rates of tax on various commodities. This Committee as part of the exercise to simplify and rationalize the rates decided to tax all Drugs and Medicines (including life-saving drugs and bulk drugs) at a uniform VAT rate of 4%. As a result the tax rate on most of the drugs and medicines which was 8% under the Sales Tax System has come down to 4% under the VAT system. The rate of tax on life-saving drugs has however, increased from 0% to 4% under the new system compared to the earlier one.